

November 30, 2011

Mrs. Jocelyn Boyd
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, South Carolina 29210

Dear Mrs. Boyd:

Progress Energy Carolinas' ("PEC") last general rate case was in 1988 in Docket No. 1988-11-E. The Commission's Order No. 88-864 issued in that proceeding required PEC to file quarterly earnings reports based on the Commission's findings in that proceeding containing:

- 1) System Rate of Return on Rate Base – Exhibit A1
- 2) South Carolina Rate of Return on Rate Base – Exhibit A2
- 3) Return on Common Equity (Allocated to South Carolina Retail) – Exhibit B
- 4) Earnings Per Share on Progress Energy Common Stock - \$2.63
- 5) Debt Coverage Ratio or Earnings to Fixed Charges – 4.70 times

In compliance with the ORS's request, PEC submits its quarterly earnings reports for the 12 months ended September 30, 2011 on a per books and as adjusted basis using jurisdictional allocations based on 2010 data. Also included is a verification of the report by PEC's President and Chief Financial Officer.

Attached is a copy of this report, which I request that you stamp and return to me. If you have any questions or concerns, please call me at 919-546-2559.

Sincerely,

M. Scott Foster
Manager – PEC Regulatory & Property Accounting
Progress Energy Service Company

c: John Flitter

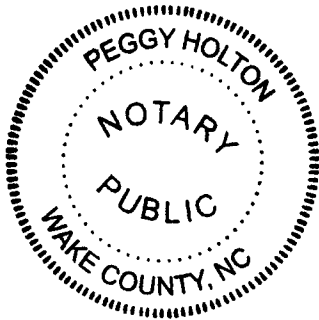
Enclosure

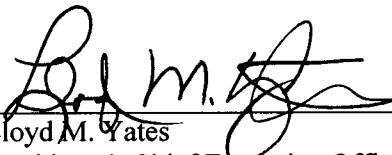
CERTIFICATION

(Certification must be signed by the Chief Executive Officer)

I, Lloyd M. Yates, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2010 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.



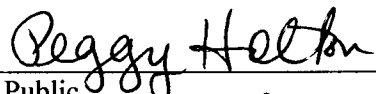


Lloyd M. Yates
President & Chief Executive Officer
Progress Energy Carolinas, Inc.

November 23, 2011

Date Signed

Subscribed and Sworn to before me this 28th day of November, 2011.



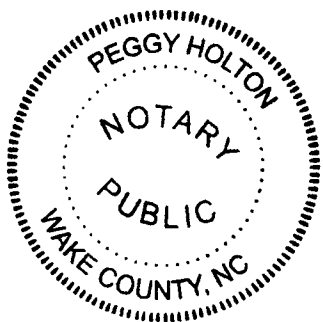
Notary Public
My Commission Expires: June 25, 2016

CERTIFICATION

(Certification must be signed by the Chief Financial Officer)

I, Mark F. Mulhern, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2010 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.



Mark F. Mulhern

Mark F. Mulhern
Chief Financial Officer
Progress Energy, Inc.

November 28, 2011

Date Signed

Subscribed and Sworn to before me this *28th* day of *November*, 20 *11*

Peggy Holton

Notary Public

My Commission Expires:

June 25, 2016

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2011

SYSTEM TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	4,652,867,352	-	4,652,867,352
OPERATING EXPENSE:			
NET O&M EXPENSES	2,957,286,044	28,441,109	2,985,727,153
DEPRECIATION	499,921,315	29,470,562	529,391,877
TAXES (OTHER THAN INCOME)	211,768,434	1,580,308	213,348,742
INCOME TAX - STATE	19,385,334	(19,164,923)	220,411
INCOME TAX - FEDERAL	(96,183,441)	(17,557,039)	(113,740,480)
PROV. FOR DEFERRED TAXES	402,201,776	20,876,492	423,078,268
INVESTMENT TAX CREDIT	(5,731,392)	-	(5,731,392)
TOTAL OPERATING EXPENSE	3,988,648,070	43,646,509	4,032,294,579
INCOME FOR RETURN:			
OPERATING INCOME	664,219,282	(43,646,509)	620,572,773
CUSTOMER GROWTH	1,347,926	(88,574)	1,259,352
INTEREST ON CUST. DEPOSITS	(6,983,041)	-	(6,983,041)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	658,584,167	(43,735,083)	614,849,084
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	17,768,596,837	222,127,305	17,990,724,142
PLANT HELD FOR FUTURE USE	14,888,513	-	14,888,513
RESERVE FOR DEPRECIATION	(9,092,119,128)	(29,470,562)	(9,121,589,690)
NET PLANT IN SERVICE	8,691,366,222	192,656,743	8,884,022,965
NUCLEAR FUEL INVENTORY	469,362,194	-	469,362,194
DEFERRED TAXES - LIB. DEPR.	(1,843,983,478)	128,533,715	(1,715,449,763)
REGULATORY ASSETS	770,574,679	(129,791,171)	640,783,508
WORKING CAPITAL:			
MATERIALS & SUPPLIES	777,676,502	(6,906,740)	770,769,762
CASH WORKING CAPITAL	427,878,903	-	427,878,903
UNCLAIMED REFUNDS	(388,772)	-	(388,772)
PREPAYMENTS	15,120,724	-	15,120,724
TAX ACCRUALS	(15,476,165)	-	(15,476,165)
CUSTOMER DEPOSITS	(114,111,863)	-	(114,111,863)
OPERATING RESERVES	(533,332,892)	-	(533,332,892)
CUSTOMER ADVANCES FOR CONSTR.	(17,249,337)	-	(17,249,337)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	540,117,100	(6,906,740)	533,210,360
TOTAL RATE BASE	8,627,436,717	184,492,547	8,811,929,264
RATE OF RETURN (%)	7.63		6.98

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT A2

S.C. RETAIL TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	538,734,757	-	538,734,757
OPERATING EXPENSE:			
NET O&M EXPENSES	333,954,382	3,224,737	337,179,119
DEPRECIATION	61,645,618	3,250,705	64,896,323
TAXES (OTHER THAN INCOME)	15,934,728	158,815	16,093,543
INCOME TAX - STATE	2,835,550	(217,212)	2,618,338
INCOME TAX - FEDERAL	(6,396,160)	(2,178,332)	(8,574,492)
PROV. FOR DEFERRED TAXES	48,599,628	2,372,227	50,971,855
INVESTMENT TAX CREDIT	(634,172)	-	(634,172)
TOTAL OPERATING EXPENSE	455,939,574	6,610,939	462,550,512
INCOME FOR RETURN:			
OPERATING INCOME	82,795,183	(6,610,939)	76,184,245
CUSTOMER GROWTH	(36,421)	2,908	(33,513)
INTEREST ON CUST. DEPOSITS	(561,166)	-	(561,166)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	82,197,596	(6,608,031)	75,589,565
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,048,926,245	24,519,947	2,073,446,192
PLANT HELD FOR FUTURE USE	1,643,497	-	1,643,497
RESERVE FOR DEPRECIATION	(1,056,308,857)	(3,363,248)	(1,059,672,105)
NET PLANT IN SERVICE	994,260,885	21,156,699	1,015,417,584
NUCLEAR FUEL INVENTORY	53,126,125	-	53,126,125
DEFERRED TAXES - LIB. DEPR.	(230,767,381)	14,674,788	(216,092,593)
REGULATORY ASSETS	104,883,847	(14,327,246)	90,556,601
WORKING CAPITAL:			
MATERIALS & SUPPLIES	86,301,337	(781,759)	85,519,578
CASH WORKING CAPITAL	51,924,574	-	51,924,574
UNCLAIMED REFUNDS	(41,743)	-	(41,743)
PREPAYMENTS	1,732,354	-	1,732,354
TAX ACCRUALS	(1,773,075)	-	(1,773,075)
CUSTOMER DEPOSITS	(17,613,532)	-	(17,613,532)
OPERATING RESERVES	(60,726,603)	-	(60,726,603)
CUSTOMER ADVANCES FOR CONSTR.	(1,976,224)	-	(1,976,224)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	57,827,088	(781,759)	57,045,329
TOTAL RATE BASE	979,330,564	20,722,480	1,000,053,044
RATE OF RETURN (%)	8.39		7.56

PROGRESS ENERGY CAROLINAS
S.C. QUARTERLY REPORT
S.C. RETAIL - RETURN ON COMMON EQUITY
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2011

"PER BOOKS"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	4,187,769,471	43.28%	423,854,268	4.77%	20,217,849
PREFERRED STOCK	59,333,982	0.61%	5,973,916	5.54%	330,955
COMMON EQUITY	5,428,611,599	56.11%	549,502,380	11.22%	61,648,792
TOTAL CAPITALIZATION	9,675,715,052	100.00%	979,330,564		82,197,596

"ADJUSTED"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	4,187,769,471	43.81%	438,123,239	4.77%	20,898,479
PREFERRED STOCK	59,333,982	0.62%	6,200,329	5.54%	343,498
COMMON EQUITY	5,312,289,492	55.57%	555,729,477	9.78%	54,347,589
TOTAL CAPITALIZATION	9,559,392,945	100.00%	1,000,053,044		75,589,565